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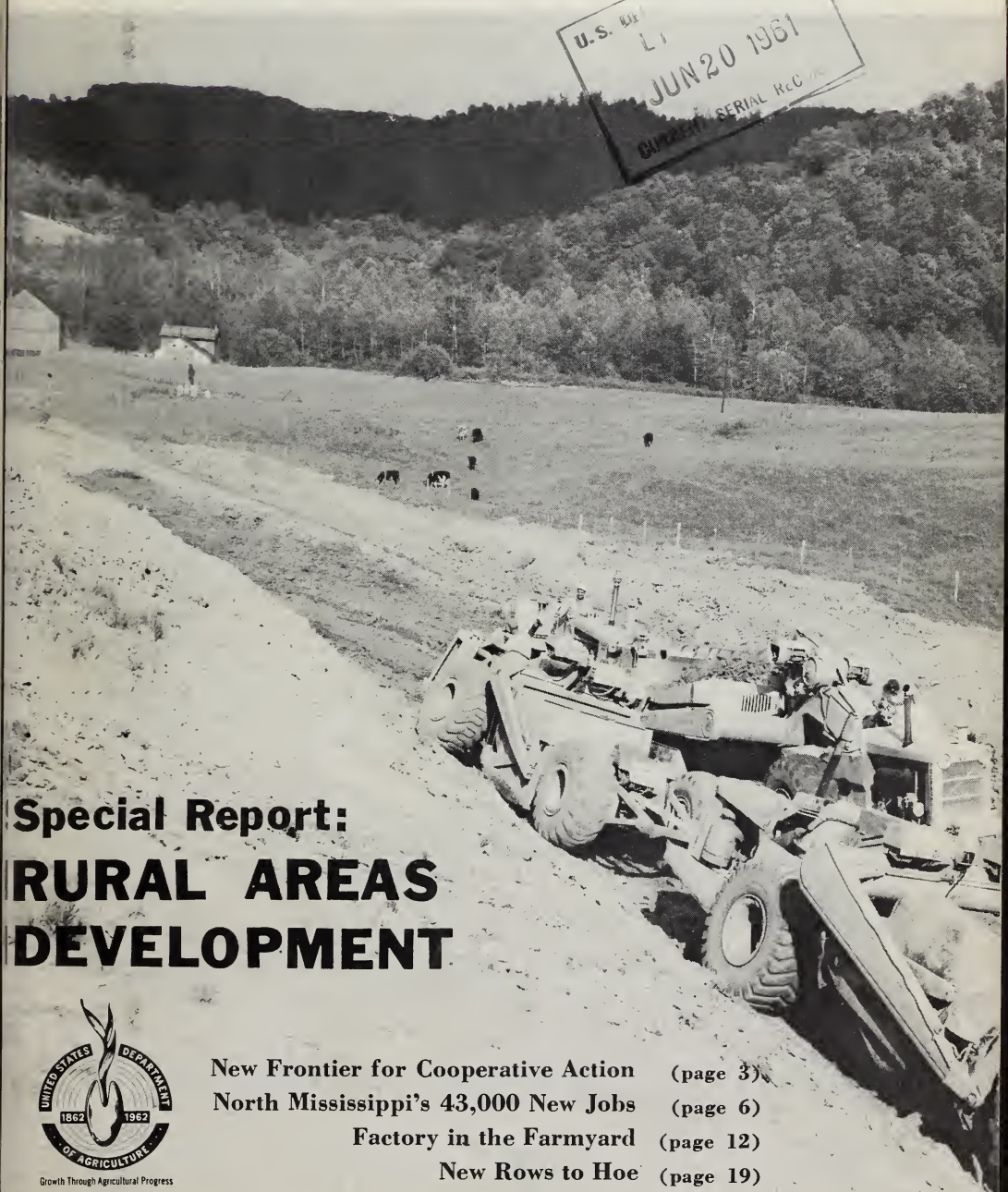
JUNE
1961

Rural Lines

RURAL ELECTRIFICATION ADMINISTRATION

U. S. DEPARTMENT OF AGRICULTURE

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Special Report: RURAL AREAS DEVELOPMENT



Growth Through Agricultural Progress

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A Message from the **ADMINISTRATOR**

A VIGOROUS new program is underway to conquer rural poverty and halt the forced migration of rural people to the already crowded industrial centers of the Nation. It is called Rural Areas Development, and it has been initiated by Secretary of Agriculture Orville L. Freeman in an attempt to speed up economic development in rural areas with chronically low incomes. The Rural Electrification Administration is participating in this program.

Far too many of our rural communities have been suffering for a number of years from a creeping depression. In 1959, for example, about 36 percent of all farm families in the United States had incomes of less than \$2,000. In the same year, the amount of underemployment on our farms alone was equivalent to 1.4 million man-years of unemployment. As Secretary Freeman has told the Congress, "the basic problem we are combatting—in rural America as in the cities—is lack of enough jobs."

REA borrowers already have furnished rural areas with two of the industrial necessities of life—electric power and modern telecommunications. Now we ask that the officers, directors, managers, and employees of REA-financed systems assume local leadership in helping to meet the crisis of rural underemployment. REA and other USDA agencies are mobilizing for action, but it is local people who must spearhead the movement. This is a wonderful opportunity for all REA borrowers to increase electric load and the number of subscriber stations.

This issue of *Rural Lines* tells how several REA borrowers and the people they serve have stimulated economic growth and income opportunities in their areas. We hope that their story will inspire others to follow their lead, for their experiences offer convincing proof that rural poverty, with all its attendant misery, can be eradicated from this country.


Administrator

Rural Lines

Cover picture: *Symbolic of the changes taking place in the rural areas of America today is this earth moving machine clearing the way for a new industry.*

June E. Panciera, Editor

Contributors to this issue: Hubert Kelley, Jr., Bernard Krug, Robert Patrick, Louisan Mamer, Virgil Hassler, Lucile Holmes, Barton Stewart, Jr.

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THE RURAL AREAS DEVELOPMENT PROGRAM

Rural people in many parts of the United States today are caught in the grip of a chronic depression. Their condition has many roots. In some places, farms have been consolidated into larger units, and small family farmers have been pushed out of full-time agriculture. In other regions, farms are too small and land too poor to support the families which subsist upon them. In many areas, modern agricultural machinery has replaced farm laborers, forcing them to seek other forms of livelihood. In some rural communities, closed or partially shutdown coal mines have created severe unemployment. There are not enough jobs to go around in rural America today.

It does not solve the crisis of rural underemployment to recommend that displaced farm workers and miners migrate to the cities. Too many of our industrial centers already suffer from serious unemployment as it is. Furthermore, many rural migrants do not know trades that would equip them for urban employment. Quite apart from these considerations, migration would mean a serious personal upheaval for many rural people. Many

now own homes of their own—substandard as they may be. In cities, they would be forced to rent. At present, many are able to raise at least a portion of the food for their tables. In cities, they would have to buy all their food. Talk to the rural unemployed, and you find that they do not want to leave their homes. They want to find some way to stay in the country, to work in the country, and to make a decent living for themselves and their families.

In an effort to help solve the perplexing problem of rural underemployment, Secretary of Agriculture Orville L. Freeman this spring established a Rural Areas Development Program within the Department of Agriculture.

Selected to head the program was John A. Baker, Director of Agricultural Credit. Mr. Baker is chairman of a new Rural Areas Development Board consisting of representatives of 11 USDA agencies, including REA. He also is responsible for the general supervision and direction of a newly formed RAD staff.

In announcing the RAD Program, Secretary Freeman said that “under-



Rural poverty still exists in the United States. REA and other USDA agencies have joined forces to help local groups to improve rural living standards.

employment in rural America is a serious problem," and that State and local authorities are aware of the problem and are attempting to stimulate economic growth and income opportunities in underemployment areas.

"All Department of Agriculture agencies must commit their resources toward the support of the State and local authorities in this work," the Secretary directed.

Mr. Baker, he said, will "coordinate and focus the resources of the Departmental agencies in their assistance to the State, local, private, community, statewide organizations, farm organizations, and interested individuals working toward the improvement of underemployed areas."

A few days after the Secretary's announcement, RAD Chairman Baker

wrote to chairmen of Rural Development State Committees, saying:

"We have made a careful review of progress to date under the Rural Development Program. Good work has been done. Valuable experience has been gained. The task now is to expand and broaden this work. The new Rural Areas Development Program does not supersede the former program; instead it is the next stage of progress. We want to focus and augment the Department's services to State agencies and local groups to enable them to attain increasing results more rapidly."

Addressing a co-op RAD meeting in Washington, REA Administrator Norman M. Clapp announced guidelines for the agency's participation with its borrowers in the RAD Program. He

said that REA will concentrate on working with borrowers to assist them in developing and carrying out programs for economic and community development. He stated that the initiative and decisions of local people will determine the extent of REA assistance, and that REA will cooperate with all other agencies—local, State, and Federal—in carrying out rural development activities.

Mr. Clapp emphasized the availability of Section 5 loans to finance the purchase and installation of electrical machinery and equipment for industrial, commercial, and agricultural enterprises in rural areas.

Noting that REA borrowers are in a position to make a major contribution to the growth and development of rural areas, he recommended that, where legally and financially possible, borrowers take an active role in community development work.

He offered the following examples of borrower participation:

1. Assume leadership in surveying local problems, inventorying resources, and determining opportunities for improvement.

2. Assist with the establishment of local development corporations designed to stimulate and assist the establishment of new or expanded enterprises within the area. These enterprises may include both private and cooperative type organizations. Priority of attention should be given to assisting the type of industry which will most fully meet the needs of the local economy and which will not result in the moving of an enterprise from one location to another.

3. Make nominal general fund investments in local development corporations.

4. Participate with local groups concerned with the improvement or furnishing of needed community facilities.

5. Make loans under Section 5 to

finance the purchase and installation of electrical machinery and equipment for industrial, commercial, and agricultural enterprises in rural areas.

6. Coordinate local development activities with statewide and other associations of borrowers, wherever practicable.

7. Make their facilities available for training or retraining of unemployed and underemployed people.

In an address before the Wisconsin Electric Cooperative, in Madison, Wisc., the Administrator told delegates:

"Perhaps the greatest contribution we can make will be in stimulating new enterprise. It can be cooperative enterprise, strictly homegrown, based on local needs and geared to existing markets. The whole field of food and fiber processing offers opportunities for local and cooperative enterprise which can retain a larger share of the food dollar in our rural communities."

Soon after, REA sent teams to several States in response to borrower requests to help them and their communities with area development work. These REA technicians are assisting local leaders to inventory their resources and to select those types of industry best suited to the local economy. Careful attention is being given to the creation of community development cooperatives, organized to tackle a wide variety of local problems.

The pages that follow tell how REA borrowers and their consumers and subscribers across the Nation already have found practical ways to alleviate rural underemployment and low farm income. Some have developed new home-grown industries. Some have made their communities more attractive to builders. Some have found more lucrative cash crops. All their accomplishments point the way to a better standard of living for all rural Americans.

NORTHERN MISSISSIPPI'S 43,000 NEW JOBS



THE economy of Northern Mississippi was on the downgrade until REA borrowers decided to take a hand. Weary of being bypassed by progress, 10 rural electric cooperatives there joined hands in 1951 with 13 municipal power suppliers to form the North Mississippi Industrial Development Association. Since then, NMIDA has been responsible for adding 43,000 new jobs to the area.

NMIDA's 23 members, all distributors of low-cost TVA power, have more than lived up to the objective stated in their charter:

"To promote the sale of electric power in the area served by its member-distributors by assisting in the expansion of existing industries and businesses, by exploring and developing the natural resources of the area, and by attracting new industries and businesses."

As it approaches its 10th anniversary next September, the Association already has increased the number of wage-earning jobs in its 28-county area by 140 percent. Payrolls have been added totaling more than \$113 million, a gain of 240 percent over 1950. A total of 139 new plants have been

built and 114 plants have expanded facilities. They manufacture everything from ax handles and miniature automobiles to generator boilers and prefabricated homes.

NMIDA is not in business to "pirate" a plant from another part of the country. It doesn't want to be responsible for "closing one here, opening one there," say NMIDA officers. Instead, it deals with two major types of prospects: first, a plant owner who already operates one factory and wants to open a branch, perhaps in Mississippi, to obtain raw materials more easily and to enlarge his potential market; and second, a small local industry or food processing plant that has outgrown its small beginnings and needs a larger plant "with room to grow in."

A serious lack of industrial development in NMIDA's 28 counties made the Association a necessity. The No. 1 problem—population decline—was proved by the 1950 Census. Between 1940 and 1950, north Mississippi counties suffered a net loss of 100,000 people. The drop in income that accompanied the decline in population was felt in all lines of local

business and all agencies of local government.

North Mississippi's rural economy was based on small land holdings, most of which provided only a subsistence income and failed to offer any assurance of satisfactory employment for ensuing generations. Cotton and fresh vegetables were the main income crops, along with Angus and Hereford cattle and dairy farming. Power suppliers set out to "balance agriculture with industry."

In other parts of the State, electric power distributors already had taken the lead in industrial development. Two investor-owned power companies had well-organized area development staffs and programs. Both had demonstrated to their own satisfaction that corporate income spent to improve the prosperity of their service areas would result in more sales of electric power and higher returns for the stockholders.

These power companies were working with other utilities, railroads, and the Mississippi State Agriculture and Industry Board in locating industries in their areas. Suppliers in North Mississippi decided that they had better organize to get their proportionate share.

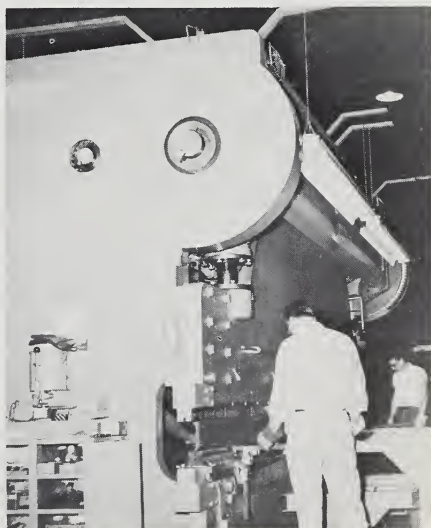
"That's where we entered the picture," says Raleigh V. Taylor, big, good-natured manager of the REA-financed Natchez Trace Electric Power Association, at Houston, Miss. Taylor was in on the organization of the NMIDA at its very beginning—"and a little bit before the beginning"—and he remembers those days clearly.

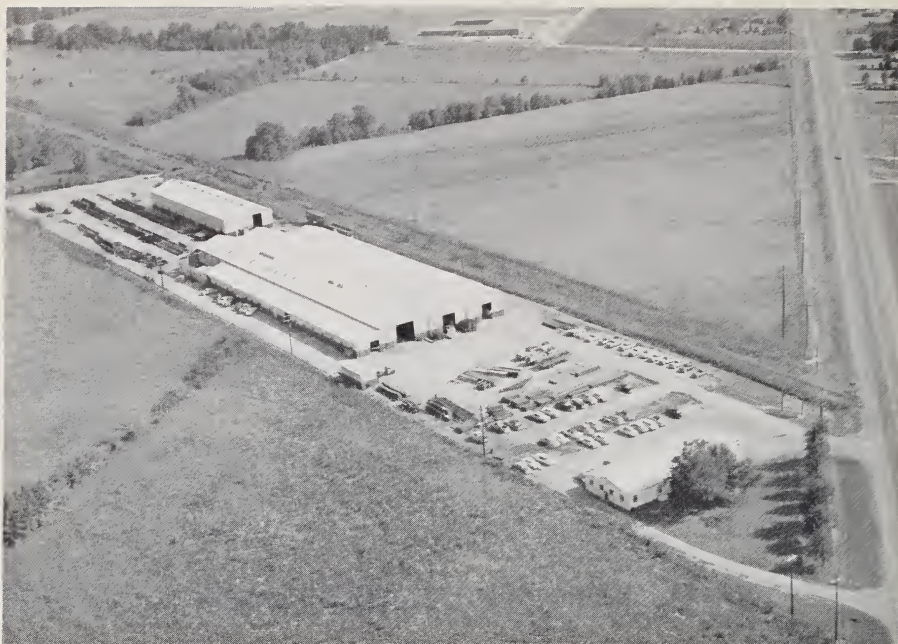
"We had heard of a similar organization in Alabama," he recalls, "and a group of us got in our cars one day and drove about 100 miles east to find out how they did it. We represented five towns in Mississippi: West Point, Okalona, Tupelo, Corinth, and Aberdeen. We had some co-op managers,



Full and part-time employment for 350 workers resulted from location of this garment factory in the area of the NMIDA, made up of 23 power suppliers, including cooperatives.

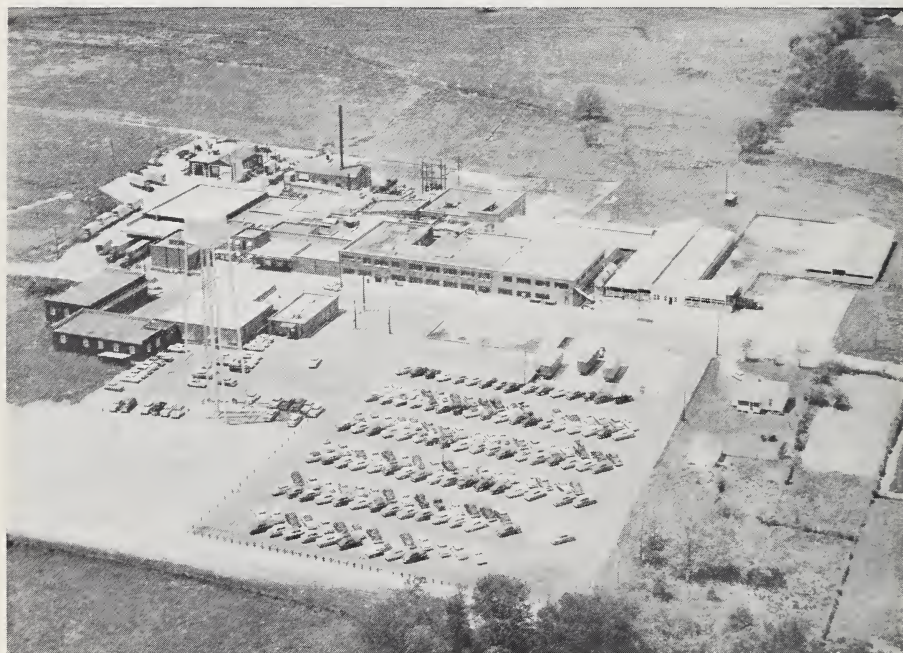
This 55-ton hydraulic press shapes heavy-gage steel into sidings for steel buildings. Employing 90 men, this Mississippi industry has meant new job skills as well as more paychecks.





Rural industry breeds industry. This steel fabrication plant near Columbus makes modern buildings for other industries, many located in Mississippi.

At West Point, Mississippi, home of NMIDA, this home-grown meat packing plant employs 500 people, processes 64 million pounds of meat annually.



some directors, a couple of chamber of commerce people, one or two mayors, and some other civic-minded people. All of us were banded together, informally, to try to stop people from moving away from north Mississippi. We wanted to make it economically attractive for them to stay here. We saw what was going on in other parts of the State and the statistics were worrisome.

"When we got back, we knew something had to be done, and we figured we were the logical ones to do it. We held our first organizational meeting at Okalona. It wasn't a very big meeting, but we came out of it with a few hard and fast rules about our new organization.

"First, we knew the association had to be area-wide in scope, not just a county, or a covey of counties, but the whole northern half of the State. Second, we knew it had to be well-financed. We didn't want it falling apart in 2 or 3 years for lack of money or help. We decided on a minimum budget of \$25,000 and a minimum contract of 3 years between us and the power suppliers. And, third, we wanted to hire a capable executive manager and a competent staff."

One by one, the REA borrowers and the municipals voted to join NMIDA. The new Association did not have enough members to go into action until Natchez Trace decided to join. Taylor is proud that it was his co-op that put the membership drive over the top.

Each member organization makes an annual contribution. The amount of this contribution is governed by a formula, based on a percentage of each organization's annual commercial and industrial power revenues. No member, however, contributes more than \$5,000 per year. The annual budget, incidentally, is now \$50,000,

exactly double what it was 10 years ago.

NMIDA's present staff consists of an executive manager, a director of development, a director of research, an office manager, and a secretary.

"Actually, we do four kinds of work: research, cooperation, promotion, and education," says Albert D. Sanders, Jr., NMIDA's dynamic executive manager. "We work hard and long and we stay here enough hours to get the job done."

NMIDA's strong leadership and its ability to "point the way" has led to the formation of 21 cooperating industrial committees in as many communities in northern Mississippi, 9 county development foundations, and 8 chambers of commerce—all of this since NMIDA began 10 years ago.

"No matter what they call themselves," Sanders says, "their purpose and our purpose are one and the same: to attract new jobs, new payrolls, to build up the community by building up the power supplier."

The NMIDA office is as busy as the proverbial beehive. Two telephones ring constantly. A duplicating machine pours out brochures, questionnaires, form letters, newsletters, special reports. The mailing room is busy sending out followup letters to prospects. A big glass map of Mississippi in Sanders' office is spotted with stickers showing where plants have moved in and are operating; other stickers show prospective locations.

Paul K. Lewey, director of development and Sanders' right-hand assistant, travels a lot. "You might call me the advance man," he chuckles, "but most of the time just being in the right place at the right time makes all the difference in the world. I try to be there so I can answer questions personally when the plant management is trying to make up its corporate mind."

The NMIDA executive staff has



Off-season sideline of Columbus disc harrow plant is miniature automobile, low-slung and powered by gasoline.

logged thousands of miles in the official car. It has visited every major metropolitan industrial area in the East and Midwest at least once; some of them several times. Repeat calls are often necessary, since in many cases companies consider new plant locations for several years before reaching a decision.

Sanders and Lewey have chartered a plane, when necessary, to take prospects on a fast tour of possible plant sites. Also, industrial executives driving through Mississippi on their way to or from a Florida vacation often get a surprise visit from NMIDA personnel. To know who is traveling when and staying where, the Association maintains close cooperation with motels, hotels, restaurants, and service stations.

NMIDA works with State organi-

What they say about NMIDA . . .

"Our association is almost 10 years old, but we are still learning, still figuring out ways of doing the job better. I think NMIDA has given north Mississippi a big boost up the economic ladder."—Will Hickman, president of NMIDA, and attorney for Northeast Mississippi Electric Power Association.

"NMIDA has helped us generally and personally. We like it all the way."—O. E. Thompson, board member, East Mississippi Electric Power Association.

"Anything that helps one co-op helps us all. It's an area-wide job. I was NMIDA's second president. Its effect has doubled since the early days."—J. C. Sneed, manager, Pontotoc Electric Power Association.

"We are one of the four largest contributors to NMIDA. It helped us get a piano and organ factory that employs 450 men. We'll soon be getting a large plastics company, too. NMIDA means business in our territory."—D. F. Wright, manager, Alcorn County Electric Power Association.

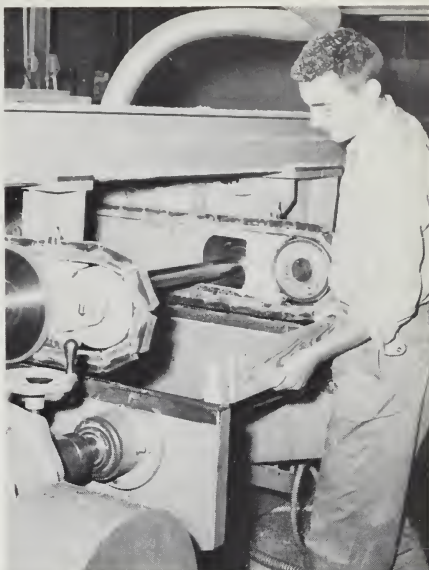
"NMIDA has done a wonderful job in industry and public relations. Its activity has helped the whole TVA area."—W. H. Saxton, manager, Tallahatchie Valley Electric Power Association.

"We pay our annual dues, and it is the best money our co-op ever spent. We will cooperate with NMIDA all the way."—W. C. Gurney, manager, Tippah Electric Power Association.

"The Association has filled a void in our area that was not being taken care of. The power companies had organized promotion, but we didn't have any until

zations, too. Two of them are the State Agriculture and Industry Board, which now lists two REA borrower managers on its board of directors; and the "Balance Agriculture With Industry" program of the State government. BAWI, a strong attraction in north Mississippi especially, permits local governments to own and lease to manufacturing enterprises both land and buildings, and to finance the cost by voting bonds up to 20 percent of their assessed property valuation.

NMIDA has applied generous amounts of hard work and horsesense to the complicated task of changing Mississippi's business economy and, in turn, its countryside. Its steady success has brought a heavier power demand to REA-financed electric systems, a fresher more vigorous outlook to rural communities, and a happier way of life to thousands of Mississippi families.



Electric machinery is used in this Ackerman plant to plane and turn custom-crafted furniture and panels.

NMIDA was formed. We needed representation and NMIDA provided it."—Charles Ames, manager, Holly Springs Municipal Electric Department.

"The biggest help is the availability of trained personnel to help locate industry in our area. We can't do it by ourselves. It helps us get our own house in order so we can be acceptable to industry."—S. D. Wolfe, manager, Northeast Mississippi Electric Power Association.

"Part-time farmers don't have to give up their farms any more, now that NMIDA has helped this area by bringing in some small industries. The farmer can keep his farm because of the income he gets from the local factory."—Louis Wise, manager, 4-County Electric Power Association.

The REA electric borrowers now affiliated with the North Mississippi Industrial Development Association are:

Pontotoc Electric Power Association, Pontotoc; Central Electric Power Association, Carthage; Northeast Mississippi Electric Power Association, Oxford; Tallahatchie Valley Electric Power Association, Batesville; 4-County Electric Power Association, Columbus; Tishomingo County Electric Power Association, Iuka; East Mississippi Electric Power Association, Meridian; Tippah Electric Power Association, Ripley; Natchez Trace Electric Power Association, Houston; City of Holly Springs Electric Department, Holly Springs; and Alcorn County Electric Power Association, Corinth (a paid-up REA borrower). Managers, directors, or staff members of these borrowers also serve on the NMIDA board and executive committee.



FACTORY IN THE FARMYARD

TODAY, thanks to rural electricity, modern telephones, and paved roads, it is possible to build rural food, fiber, wood, and mineral processing plants close to the source of supply. This important new fact of American economics already is exciting the imagination of many rural people, and it will fire the enthusiasm of thousands more in the years ahead.

Almost anyplace in America today, local resources plus a good product plus an unsatisfied market can add up to a thriving new business, providing more jobs and payrolls for rural communities. This formula has paid off in the service areas of hundreds of REA borrowers since the end of World War II.

There are few areas today which do not possess at least one resource with commercial possibilities. Near Big Spring, Texas, a new industry grew out of a "nuisance." The late C. E. Anderson used to grumble when he and his sons were sinking postholes and ran into a white substance underground.

"This stuff ought to be worth something," Anderson would say. "There's enough of it." The nuisance, which contained calcium carbonate, calcium

sulfate, and silica, was indeed worth something. It is now being processed and sold in carload lots at a plant served by the Cap Rock Electric Cooperative. The compound's unusual ability to absorb oil makes it a valuable spread for service station driveways, garage floors, or other places where oil may be spilled. The Andersons plan to expand operations soon and package the compound in 3-pound bags for retail sales to homeowners.

Unusual? Not at all. The Washington County Electric Membership Corporation, Sandersville, Georgia, has been a leader in developing a market for another kind of "white stuff." It is kaolin, a clay used in pottery, paper, rubber, refractories, filtering, cement, linoleum, and paint. About 20 percent of the national supply of this important product comes from Washington County, today.

The big idea may come to you anytime—even while loafing. Jess Ray and Howard Shockley, of Dixon, Missouri, worked side by side as employees of a gravel plant, talking now and then about going in business for themselves. They finally did. Their sand and gravel processing plant is located on a gravel bar they discov-

ered while fishing. Their plant, served by the Gascoage Electric Cooperative, now employs three men besides the owners.

As all these developers will testify, it's all right to keep your eyes on the stars, but it pays to look under your feet, too. Near Kershaw, South Carolina, the Lynches River Electric Cooperative supplies the power to mine mica; power supplied by the Concordia Electric Cooperative runs things for an asphalt company at Sicily Island, Louisiana.

Forests are another big rural resource that offer opportunities for local enterprise. Low-income farm areas in the United States are about one-half timber, and that's where new plants are needed most.

In Natchitoces, Louisiana, Frank Kees had long dreamed of a way to use local hardwood. Most of it was being burned out or bulldozed away, until Kees, after much hard work getting it organized, finally saw the opening of a new furniture factory. Now

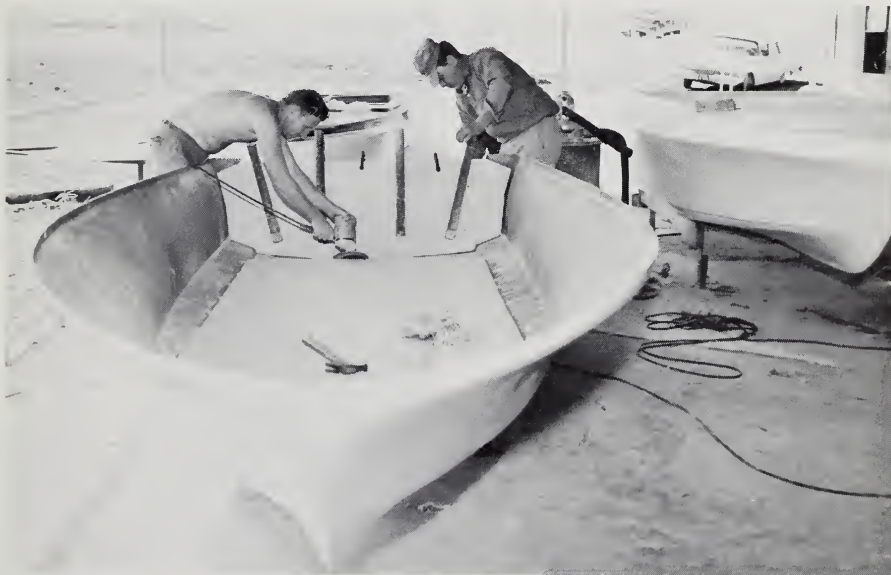
it turns out beautiful chairs, all made from hickory, pecan, ash, oak, elm, and beech supplied by small mills in the area. Only local people are employed in the shops, and the all-electric plant is served by the Valley Electric Membership Corporation.

Another woodworking plant is at Sandy Hook, Kentucky. Served by the Grayson Rural Electric Cooperative, it makes from 50 to 60 kitchen cabinets a day from local beechwood. In just 2 years, this Kentucky industry has grown from a 1-room operation into a plant of nearly 8,000 square feet employing 17 persons.

The availability of white oak timber and plenty of power from the Northern Piedmont Electric Cooperative, at Waverly, Virginia, has resulted in an unusual industry in Culpeper County. The plant, now with 15 employees, manufactures leakproof oak staves for whisky and wine barrels.

Wherever there is local timber, the rural plants are appearing: a huge sawmill in Pine Grove, Louisiana; a

Fifty miles from nearest lake, this Live Oak County, Texas, glass fiber boat factory employs 10 people. Here workmen install mounts for motor.



living room furniture factory in Rossville, Georgia; a prefabricated home factory in Collins, Mississippi.

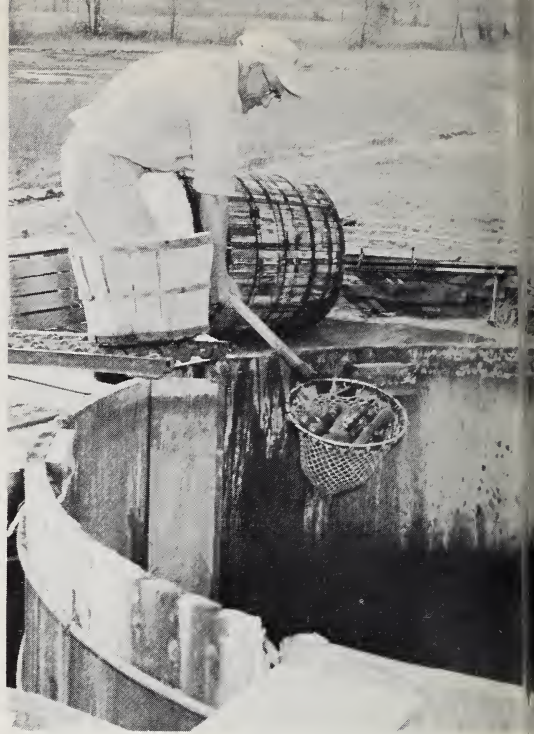
More food processing plants are going up in rural areas each year, assuring local people of a bigger share of the consumer food dollar. Abundant, low-cost electric power makes them possible.

Late last year, two potato conditioning plants were opened at Kennedy and Karlstad, Minnesota, in the heart of a potato-growing region. The plants, electrically powered, clean and grade the produce to conform to the special needs of the potato chip industry. At present, the plants supply chip makers with about 10 percent of the total potatoes used each year. They employ 20 people full-time, and an additional 70 workers at peak season. P.K.M. Electric Cooperative supplies power for the Kennedy plant.

In Cherokee County, South Carolina, last year, a big peach grower built a new refrigerator department, served by the Broad River Electric Cooperative, at Gaffney. When packing is at full capacity, the overflow of peaches goes through a steri-cooler and into refrigerated storage, where it is held until later to be packed and shipped to market.

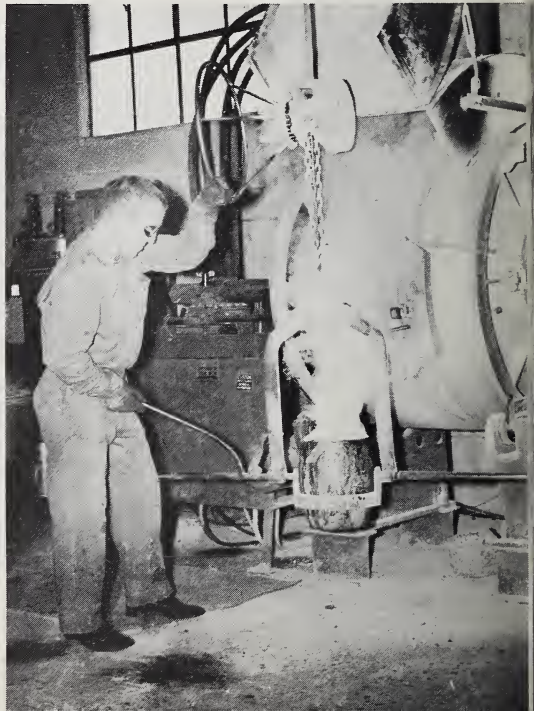
Many homegrown plants have small beginnings. Floy O. Groves, of Iberia, Missouri, started a meat processing plant mainly to process his own hogs. Now he processes from 15 to 20 hogs a day, handling much of the production of his area. Groves, who gets his power from Gascosage Electric Cooperative, is planning a wholesale route for grocers, restaurants, and others.

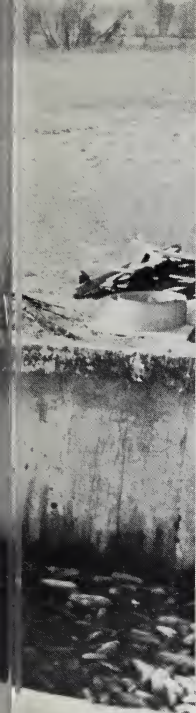
Good ideas have a way of growing. In McCaysville, Georgia, on the lines of Tri-State Electric Cooperative, of Copperhill, Tennessee, two brothers started their own hatchery in 1959. Beginning with only 1 incubator with a capacity of 54,000 eggs, they have



Local food processing plants can assure area farmers a market for their produce. This worker at Corning, Ala., is picking up cucumbers from a huge vat where they have been pickled.

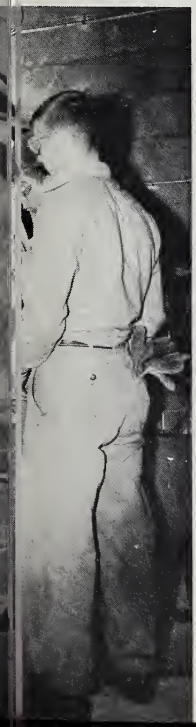
Rural foundry near Peru, Indiana, uses skillful craftsmanship. Plant began as small, one-man operation with hand tools, but now sells brass fittings to custom hardware manufacturers.





farmers of market
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ade equipment,
including banks.



Big 1500-acre peach orchard in South Carolina employs 600 people during peak peach-picking season. New refrigeration unit has been built to enable owner to store overflow for later packing.

Men's apparel factory in Arkansas has trebled its floor space since opening in 1956. Electric co-op and local development group were responsible for location of the plant in Star City.



in 2 years enlarged their capacity to handle 245,000 eggs. Ten farmers with 40,000 hens are now included in the operation, and there are 25 employees on the payroll.

Cucumber farmers in Arkansas have a ready market for their produce in a new pickle factory at Corning. This plant, served by the Clay County Electric Cooperative, is 100 percent locally owned. Twenty-five full-time employees, with extra help during the season, turn out the pickles and relishes, which are sold through local stores and food brokers. And in Madison County, Arkansas, new industries include a charcoal company and a walnut hulling business. The charcoal maker now has a 15-cord kiln and plans to build another this year. The walnut huller last year purchased \$10,000 worth of nuts from farm people in the county.

Not all rural industrialists work with food and fiber, by any means. Inventive farm people have developed every conceivable kind of product, and some of the manufacturing plants have risen right in the middle of cornfields. The factory in the farmyard is going to become more commonplace.

Near Sidney, Nebraska, a farmer fabricates air-conditioned cabs for

combines in a small shop in the middle of the wheat fields. Using electricity from Wheat Belt Public Power District, he has branched out to make cabs for cotton pickers. He makes sales calls in his own plane.

At East Grand Forks, Minnesota, local businessmen and farmers teamed up to start the only fertilizer plant operating in the area. Now they manufacture a high-analysis pelleted fertilizer, specially suited for local soils. Served by Red River Valley Electric Cooperative, the plant employs 16.

On Bay Lake, in Minnesota, a local carpenter and his two sons turned from jobwork to manufacturing window units and removable aluminum weatherstripping. Their millworks factory, which receives its power from Mille Lacs Electric Cooperative, has been enlarged four times since it started in 1945, and even more expansion is around the corner.

Frequently, a single invention leads to a new enterprise. At Cissna Park, Illinois, Joe Beebe raises corn, wheat, soybeans, popcorn, and hogs on his 180 acres. Now he is also a manufacturer of egg baskets. His son Joe got the idea. He put a cone in the center of a basket to make it easier to clean

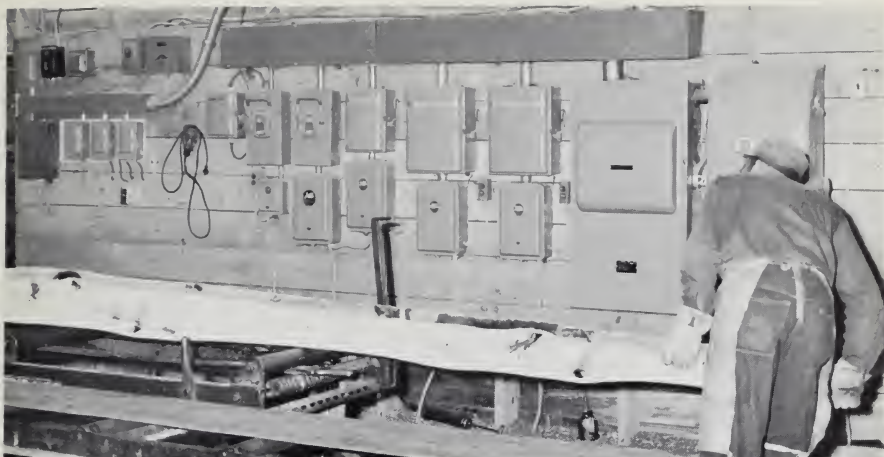
What is the Area Redevelopment Act?

The new Area Redevelopment Act provides for a program of loans and grants to assist designated depressed urban and rural areas to create more employment. It should not be confused with USDA's own RAD Program.

General direction of the new program is centered in a new Department of Commerce unit, the Area Redevelopment Administration. Several Federal agencies will take part in program operations, with the Department of Agriculture administering a major part of rural areas assistance. Rural areas designated under the program will be those with the most serious problem of low income and underemployment.

Specifically, the new Act provides for Federal loans for up to 65 percent of the cost of industrial and commercial land sites and buildings. It provides for both loans and grants for public facilities for industrial use, and for grants for technical assistance and for retraining workers.

Further details will be widely publicized when they are available.



All-electric sawmill near Stanton, Pennsylvania, has two shifts working. Battery of switchboxes indicates reliance on power furnished by local cooperative.

the eggs with chemical cleaners. The first cone was made of baling wire, fastened to the basket with pliers. Beebe then welded cones to other baskets and found a market for his product. Today the metal frames are made by an outside firm and the Beebe family coats the wire with plastic paint. One hundred baskets are turned out

every hour, and Beebe expects to net more from the baskets next year than from farming. He's a member of the Eastern Illinois Power Cooperative, at Paxton, Illinois.

In Paoli, Indiana, a family printshop that began as a hobby now handles a large volume of specialized printing that goes to nearly every

Maine Committee Reduces Unemployment

The Eastern Maine Electric Cooperative of Calais, Maine, has been active for some time in rural redevelopment, and it is intensifying efforts to solve the area's unemployment problem. The co-op manager is president of the Calais Chamber of Commerce and a member of the planning board. All of the co-op's board and staff take part in various community activities. Early in 1961, 25 percent of the working people in the area were without jobs and community leaders decided a more intensive campaign had to be undertaken to improve this situation.

In March, Eastern Maine's board of directors established a Redevelopment Committee, with authority to use nominal amounts of general funds in a pool of resources with national, State, and local groups to develop new industry.

The area redevelopment activities of this REA borrower have brought good results during the past several years. With the cooperative's technical assistance, a timber products company expanded operations in 1960, adding 60 men to the payroll. A firm making a new chipboard product began operations, using raw materials from the area. Other industries receiving planning aid from the co-op include firms producing fiberboard, furniture, cedar posts, textiles, vehicles, plywood, and boats.



Manufacturer Gordon Gray, a former carpenter, opened millworks at Bay Lake, Minnesota, in 1945. He and his two sons have built the small firm into thriving rural enterprise.

State and several foreign countries. Served by Orange County Rural Electric Membership Corporation, the shop is one of the few in the Nation that can set sheet music from movable type.

The list of successful rural industries already reads like an index of American industry. It is difficult to find a product manufactured in U.S. cities which is not also produced some-

where in rural America. On the lines of REA electric and telephone borrowers alone there are:

- A Missouri glass fiber fabrication firm, with 15 employees, making 3 boats a day. It will also make sports cars and horse trailers.

- An Arkansas plant that makes repeating crossbows from walnut and cherry. The bow was invented by a local resident.

- A growing Wisconsin plant, that arose in the middle of a farm, which produces chain-type barn cleaners, invented by two local people.

- An Arkansas garment factory that grew from 8 employees to 150 employees.

- A Georgia firm with 200 employees making Boy Scout uniforms.

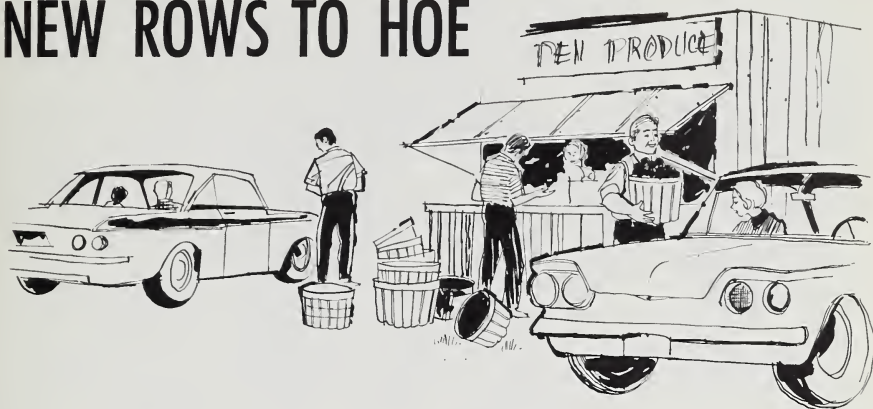
- Makers of plastic toys, pile fabrics, and paper boxes, all attracted to the area of a single North Carolina electric co-op in 3 years.

All these enterprises, and thousands more, are helping to balance agriculture with industry in our rural economy. But many more are needed. Take a fresh look at your resources. Examine your local markets. Keep an eye open for new products that might be turned out by semiskilled labor. The best answer to your local underemployment problem may be right there at home.

How Much is a New Business Worth?

G. Leslie Rucker, manager of the Edgecombe-Martin County Electric Membership Corporation at Tarboro, North Carolina, has stirred up community interest by pointing out to the businessmen of his community the potential dollars-and-cents meaning to them if new industry located in the area. Using a hypothetical factory employing 200 people with a direct payroll of \$450,000 a year, Rucker showed that restaurants in the area could expect to share a \$22,500 annual gross increase in business. Over 200 additional automobiles would be sold each year. Service stations' revenues would rise \$15,000 annually. Bank deposits would jump more than \$200,000. Clothing and shoe store cash registers would ring up an additional \$19,000. Drug stores would get over \$37,000 of the pie. Four new stores would be needed to supply additional goods and services, and at least 200 additional new jobs would be created.

NEW ROWS TO HOE



MARK TWAIN once branded a rumor of his death as “greatly exaggerated.”

So too are predictions that the small family farmer will soon be as extinct as the dodo. The little farmer is showing remarkable instinct for survival and adaptation to rapid change. Many individuals and groups in the poorer farming areas refuse to give up to fate; instead they are joining forces to gain new footholds in the fiercely competitive business of agriculture.

For the underemployed farmer and his community the road to full employment, increased income, and better living has to start from *here*, not some far-off green valley. “The ‘young uns’ can traipse off after work, but this is home,” the older folks say.

So rural area development groups are facing up to the fact that some of the answers to the problem of poverty caused by closed mines or plants, small farms, and poor land must be dug out of the very soil of the area. In some areas, many workers can’t wait for a new industry.

These case histories tell how different individuals, groups, and communities found new income possibilities in farming or allied enterprises.

Through them runs a common thread of people working, venturing, growing, and winning.

The record of the North Arkansas Electric Cooperative at Salem shows what can be done when co-op leadership takes bold and imaginative action to bolster a sagging agricultural economy. North Arkansas serves four rural counties in Ozarks country—Fulton, Izard, Sharp, and Baxter. The land is rolling to rough and much of the soil is thin and gravelly. Except in Baxter county, population has been declining steadily, so that only 29,685 were counted in the 4 counties in 1960, compared with 44,865 in 1940. Although the co-op reported 2,100 idle services as early as 1953, the peak of 2,700—29 percent of connected consumers—was reached in 1957.

Cotton was king in the area until World War II and dairying the next best income producer. Cotton acreage had been declining for some time, but tobogganed after 1950. Fulton County farmers harvested 3,767 acres of cotton in 1950, but only 749 in 1954.

With cotton going out, the co-op began to push dairying. It used general funds to finance 22 Grade A dairy barns and section 5 loan funds to help



Strawberries, grown here under black polyethylene, represent lucrative cash crop for many farm areas, including the border States and the Deep South.

farmers install milking machines, bulk milk coolers, and water systems. It even sponsored an artificial insemination service to help farmers upgrade dairy stock.

Dairying is now the No. 1 enterprise in Fulton County and the surrounding area. Two years ago the Salem Industrial Development Corporation attracted a \$500,000 dairy products plant which buys milk from 900 farmers in the Salem area, and has 40 people on the payroll. In all, some 2,000 Northern Arkansas and Southern Missouri farmers sell milk to the Salem plant. The plant can process 400,000 pounds of milk daily into cheese, butter, skim milk powder, and dried whey. The co-op bought \$21,000 in bonds to help finance the milk plant which is on its lines. Thus it benefits both directly and indirectly from the growing dairy enterprise.

Cannon County, Tennessee, offers

further proof that the little operator can find opportunity in dairying. There, the Woodbury Industrial Development Commission learned that the local cheese plant was bringing in over \$1 million worth of outside Grade C milk a year. A dairy promotion committee spearheaded a campaign to get farmers to go into milk production. The county agent pointed out that even industrial workers living in the country could handle a six-to-eight cow herd by using the modern inexpensive "parlor" installation and cow-to-can coolers. Within a few months 30 elevated milking parlors had been built and milk production and income increased. The next step was to import a herd of 70 high-producing Guernseys from Wisconsin for sale to local dairy farmers.

Grade C milk production has had a revival in Madison County, North Carolina. Cuts in burley tobacco al-

lotments and the new look in dairy methods were mainly responsible. Women found it possible to bring in additional income for the family by looking after 10 to 12 cows. The French Broad Electric Cooperative, Marshall, and FHA provided low-cost financing for new setups such as milkers, coolers, water heaters, V-type milking parlors, and new buildings. Total cash outlay on equipment and structures was as low as \$600 in many cases, but college specialists figured the job could be done for half that amount.

Eastern Kentucky must use any "bootstrap" it can find to lift income levels and create job opportunities. And the lowly strawberry is proving to be a moneymaker, if a demanding taskmaster.

In Rowan County, 55 merchants offered a dollar's worth of merchandise to every farmer who set out one new acre of strawberries. This incentive, plus intensive organization, resulted in \$100,000 of new income from the 20,000 crates of strawberries marketed through a newly organized cooperative. Merchants benefited too: 115 home freezers were sold during the strawberry harvest, 75 new lockers were rented at the local locker plant, and other business lines picked up.

Strawberries have meant cash in the pocket and a start on a college education for two boys, the Pete Bayes family of Swamp Branch in Johnson County proudly testifies.

It all began in the spring of 1954 when Dennis Bayes, then a 4-H Club member, took strawberries as his project. Through the club Dennis received enough strawberry plants and fertilizer from the Sears-Roebuck Foundation to set a quarter-acre patch. His father, Pete, decided to set an additional one-fourth acre at the same time. This became a family operation, with everyone pitching in to do the weeding, fertilizing, and picking. In 6 years,

cash profits have amounted to about \$2,000, with Dennis and brother Bob earmarking their shares for a college education.

Strawberry output is now expanding throughout an 11-county area of Eastern Kentucky. Big reason is that a new strawberry processing plant will start in Floyd County in 1962. More than 150 acres are being set this spring in readiness for the new plant.

When wheat acreage reductions and successive years of dry weather undercut the standard of living in Sherman County, Texas, local leaders formed a development association to try to breathe new economic life into the area. This group hired a nationally known farm management and consultant service to make a 6-months study of all phases of the county's agriculture and come up with recommendations for its sound development.

Specialists in many fields—farm management, marketing, price forecasting, etc.—took part in the analysis. Even an electronic brain was employed to decide the most profitable of several possible crop and livestock enterprises—reportedly the first time linear programming was so used. Livestock production, with emphasis on grain feeding, was high on the list of recommendations. The report also recommended a feed mill for the county (this was started immediately) and discussed other industrial possibilities which could be developed in time.

Production of top quality eggs was the escape route for farmers in Spink County, South Dakota, when successive drought years cut farm incomes. A Redfield hatchery worked out a deal with a large chain operation on the West Coast to buy eggs meeting certain specifications. In turn, for a price of 9 to 12 cents a dozen above local markets, producers had to confine hens; gather eggs three times daily; cool, clean, and spray them; and follow a



Demand for maple sirup could mean "hidden gold" for many Northern farmers, says Forest Service. Some maple sugar farmers realize up to \$250 per acre.

uniform feeding program. At the outset, about 35 producers had 33,000 layers, shipped 300 cases weekly. Their success prompted others to enter production. Now, one Redfield produce firm handles about 6,000 cases a week, loads a semitrailer every day for a large Philadelphia chain operator. It hopes to reach a goal of 12,000 cases weekly this year.

Game birds—another farm crop which requires much labor and attention—should not be overlooked as a source of income by the small operator who can draw on his family for help with the work. Gun or hunting clubs, restaurants, and individuals provide a market for pen-raised pheasants and quail. The profit possibilities along with the satisfaction of trying something new have drawn co-op members in Illinois, Kansas, Louisiana, and Missouri into raising birds. Missouri game breeders have formed their own association to promote pheasant as a table

delicacy. They now market "ranch-raised" pheasants throughout the United States.

Custom hatching of geese, ducks, and fancy poultry has provided pin money for Mrs. George Swink, near Pickering, Missouri, since 1938. She keeps electric incubators with a capacity of 1,000 eggs in her home so that she can give the eggs the critical attention they require. Exhibitors from several Midwestern States send her eggs from prize fowl, and large hatcheries refer orders which they can't fill.

Six miles south of Livingston, Montana, on the west side of the Yellowstone River, one of the country's largest commercial fish hatcheries has been installed. Operated by the DePuy family, the hatchery has the capacity to hatch out and raise to the fingerling size 5 million trout a year. From the hatchery, they are transferred to concrete raceways and raised to market

size. Park Electric Cooperative, Livingston, supplies the electricity.

Raising deer for sale alive or as venison is a new farming venture in Minnesota. The Woodlawn Deer Farm, near Two Harbors, Minnesota, keeps its does and bucks in a 20-acre tract enclosed by an 8-foot fence, topped with two rows of barbed wire. Live deer may be sold to people holding a State game license which is granted only to those having approved enclosures.

Howard Haney of Houston, Missouri, offers proof that you can make a fair-sized splash in hog production on a low investment. He grows out nearly 400 feeder pigs yearly with a \$1,400 set up that includes a 10-stall farrowing parlor (converted from poultry), self feeders, barrel waterers, 10 new hardwood portable hog houses, and other structures made of native lumber cut from the farm woodlot. He

buys bulk grain to make his own ration. Pigs are sold when they reach a weight of 80 to 100 pounds.

Forestry has immediate and long range possibilities for rural areas development, but small woodland owners may not be making the most of their holdings. Increased technical assistance can bring more trees onto the market and expand prospects for the future. In Michigan's Upper Peninsula, a Christmas tree growers' association was formed to produce high quality trees and develop a marketing program.

Reforestation is a long-term proposition, but small farm owners stand to benefit from carefully planned and managed new plantings. As a first step in a long-range program of reforestation eroded, marginal cropland, farmers in Amite County, Mississippi, planted nearly 2 million pine seedlings.

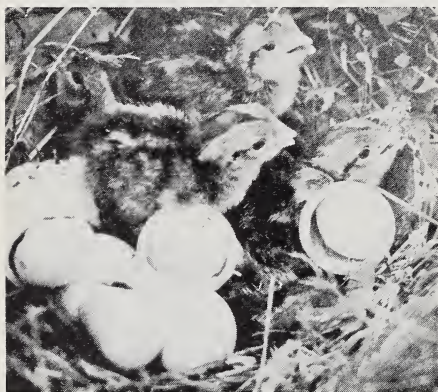
The Forest Service believes there is

More Americans are going fishing than ever. As a result, a commercial fish hatchery could be the answer to more productive use of a small farm pond.



hidden gold in stands of untapped maple trees in northern areas. By tapping these trees for sap which will become maple sirup, farmers can often realize up to \$250 an acre, and up to \$5 an hour for their labor. Maple products are in short supply and there is strong demand for high quality sirup. Establishment of central evaporator plants, either as cooperatives or privately-operated enterprises, would help farmers to turn neglected "sugar bushes" into ready cash.

Back in 1947, the Botetourt County Agent thought farmers in this western Virginia county were paying too much for seed corn. He talked to several



Pen-raised quail, like these chicks, and pheasants, are being raised for sale to gun clubs and restaurants.

farmers, suggesting that they grow seed corn. G. C. Thompson, Sr., of Eagle Rock, first turned him down, then reconsidered. The first year he and his son planted 6½ acres on bottom land along the James River. Today they harvest 25 acres of hybrid seed corn, plus 40 acres of certified barley and wheat seed grain. Over the years they have added electrical equipment and built a business which pro-

vides employment for local residents. Hybrid seed corn production involves considerable hand labor.

Grain farmers in the Longtown community of Tennessee needed a ready market for their produce. Gene and Cullen Waddell of Mason, Tennessee, saw this need and in 1958 erected a grain elevator and grain bins. Their single-phase motors caused trouble during the grain season, and they asked Chickasaw Electric Cooperative of Somerville, Tennessee, if they could get three-phase service in order to use three-phase motors. This service was installed in 1959 and they've had no trouble since then. The Waddell brothers buy grain from the farmers as it's harvested, saving the farmers storage bin installation.

Six farm families in southwestern Kansas participated in a 250-acre cooperative truck garden project as a possible alternative to single cropping (wheat). The group raised cantaloups, carrots, dill, onions, sweet corn, cucumbers, honeydew melons, pinto beans, tomatoes, squash, and green peppers. In reporting the venture, the Kansas Electric Farmer noted: "Truck farming calls for a much more intensive type of farming and the labor requirements are much higher than . . . in wheat and grain sorghum farming."

These are just a few of the success stories which have been written in the name of rural areas development. For every one recorded here, there are doubtless thousands of others. More important, the things which these farmers have done could be duplicated widely, given similar initiative and leadership.

Call on USDA and your State agricultural agencies for the special assistance you need, such as credit, farming techniques, market information, etc. Do these things and your farm people will be able to lift their incomes and improve the community.

"First, Catch a Rabbit . . ."

ORGANIZING FOR EFFECTIVE ACTION



"FIRST, catch a rabbit," goes the old recipe for rabbit stew. By the same token, the recipe for any rural area development program is "first, catch an industry." But it takes expert knowledge to catch a rabbit—or a new processing plant.

The most successful rural developers have started the ball rolling by forming an organization equipped with the tools for action. An effective organization, they have discovered, requires dedicated leaders, plenty of facts, and promotion.

The men and women who direct and operate REA-financed electric and telephone systems are well-suited for positions of leadership in any rural development program. They possess special knowledge of their communities' resources, both natural and human. They have proved that they can make a success of a large and complex rural enterprise. Perhaps most important of all, they have the ability to work with other people toward a common objective. Together with other local leaders—school teachers and principals, bankers, businessmen, and local government officials—they can help lead

the way to more prosperous rural communities.

Many rural electric and telephone people already are involved in development activities. In Casey, Illinois, the manager of the REA-financed telephone company is on the advisory board of Casey Industries, a redevelopment organization. Members of a rural development committee in Perry County, Indiana, include the president, manager, and a director of the Perry-Spencer Rural Telephone Cooperative. Twenty-seven REA electric borrowers, working through the statewide Kentucky Rural Electric Cooperative Corporation, have invested \$54,000 in a newly created business development loan corporation. The New Hampshire Electric Cooperative, at Plymouth, is a member of the New Hampshire Development Corporation and of a local area improvement committee. There are scores of others.

Once a development group is formed, it must make itself an authority on the area it represents. It must pull together facts on the labor force, on resources, on public facilities, on population, family structure,

and income. It doesn't take expensive surveys to secure much of this basic information. After all, the census was taken in 1960, and the resulting data is rapidly becoming available to all.

Best source of information is the PC(1) series of census reports. There are four of these for each State:

PC(1)-A Number of inhabitants of each State, by counties, cities, urban, and rural areas.

PC(1)-B General characteristics of inhabitants (age, sex, race, etc.).

PC(1)-C Social and economic characteristics of inhabitants.

PC(1)-D Further details from all three reports.

The A and B reports are available now for a small sum from the Population Division, Bureau of the Census, U.S. Department of Commerce, Suitland, Maryland. Specify the State desired. The C report will be ready in March 1962, and the D report will be available by June 1962. Other types of information can be secured from both Federal and State agencies and from local schools and State colleges and universities. Much more information about an area is readily available than most people realize.

Facts about an area—its people and its resources—can be presented in a variety of ways. Two popular methods are in a printed brochure or in newspaper publicity and advertising. And this point leads directly to the third essential in organizing for rural development: promotion.

It takes cash to promote an area. The cash may be turned into an industrial park site. It may be used for promotion. It may be used for meetings and banquets. In an increasing number of areas, it helps pay the salary of a full-time rural development coordinator. The electric co-ops in Kentucky have hired a man who works with the Governor and others on programs to stimulate new commer-



Power lines, telephone lines, and good roads add up to unlimited opportunity for progress in rural development.

cial development. For several years, the Alabama Electric Cooperative, at Andalusia, has employed a commercial manager to encourage new industries to build in areas served by co-op members. We have seen how the North Mississippi Industrial Development Association grew to require a \$50,000 annual budget. Worthwhile undertakings require some money.

The contributions of REA borrowers may come in the form of electric load promotions and public relations. They may come in the form of special promotional electric rates for redevelopment projects. This is a course agreed upon recently by rural electric co-ops in Montana.

A contribution may be the help and encouragement a cooperative can give a local inventor, who has a good idea for a homegrown industry. Finally, it may give the leadership and know-how necessary to organize a new food or fiber processing cooperative.

When local leaders have completed their homework, when they have formed an organization of their most competent citizens, when they have mustered their facts and presented them forcefully, and when they have raised some hard cash for development purposes, they are ready to move out and try to catch that industrial rabbit. In doing so, of course, they should never forget that there may be plenty of rabbits in their own backyards.

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United for action

in USDA's Rural Areas Development Program

Agencies represented on the new USDA Rural Areas Development Board—

- Agricultural Marketing Service
- Agricultural Research Service
- Commodity Stabilization Service
- Economic Research Service
- Farmers Home Administration
- Farmer Cooperative Service
- Federal Extension Service
- Forest Service
- Rural Electrification Administration
- Soil Conservation Service
- Statistical Reporting Service

